

CENTRAL INTELLIGENCE AGENCY

## INFORMATION REPORT

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COUNTRY	East Germany	REPORT		
SUBJECT	Secret Minister Council Decision to Permit Lowering of Wages	DATE DISTR.	7 September 1955	25X1
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THE SOURCE EVALUATIONS IN THIS REPORT ARE DEFINITIVE.  
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(FOR KEY SEE REVERSE)

1. The East German Council of Ministers passed a resolution on 18 May 1955 regarding the reduction of wages through position reclassification (Lohnrueckstufungen). This resolution annuls the governmental ordinance of 23 June 1953, which was issued as a result of the events of 17 June 1953. The former ordinance prohibited any lowering of income (Einkommensminderung) and consequently any lower pay for equal work, the so-called "personengebundene Lohne". 25X1
2. The new resolution of 18 May is still secret; it has not yet been communicated even to the Labor Courts (Arbeitsgerichte). So far, only the Interior Ministry and the Directorate of the FDGB have been informed of it. No publication in the official bulletin (Gesetzblatt) or in the daily press or professional journals is to be permitted. The government fears the reaction of the workers to the publication of a law which practically opens the way to arbitrary wage policies.
3. A meeting of directors of labor courts (Arbeitsgerichtsdirektoren) took place in Leipzig on 13 July. At this meeting the new resolution was communicated for the exclusive information of those present. Some of the speakers in the discussions registered their protests and criticisms of the measure. The labor court directors pointed out that no action can be taken by the courts in the sense of the resolution until it is officially decreed (gesetzliche Grundlage).
4. In view of these facts, the Ministry of Labor has again approached the Interior Ministry in order to determine in what manner the new resolution can be made public.

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